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Testimony on the Soo Locks

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My name is Tom Rayburn. I'm the Director of Environmental and Regulatory Affairs at Lake Carriers' Association. Lake Carriers' represents 15 companies operating 56 U.S.-flag vessels that can carry more than 100 million tons of cargo a year through the Great Lakes. Lake Carriers' has proudly represented ship owners and their vessels since 1880.

Ships of cargo and exploration have been plying the Great Lakes for hundreds of years. But, 160 years ago the brigantine COLUMBIA left Marquette bound for Cleveland with 132 tons of iron ore. She was the first ship to transit the new "State Lock" on the St. Marys River at Sault Ste. Marie. This passage transformed North America's industrial base. Since 1881, when responsibilities for that first lock were transferred from Michigan to the federal government, and recognizing the national significance of this vital link between the natural resources above the St. Marys River to the industrial centers below, the U.S. Army Corps of Engineers has designed, constructed, operated, and maintained these locks.

Today, over 90 percent of all iron ore feeding our nation's integrated steel mills comes from Michigan and Minnesota. This steel is the only domestic source for auto, appliance, construction, farm and mining equipment, rail car and locomotive manufacturing. The Great Lakes Navigation System has evolved into the most economically efficient and environmentally friendly way to transport ore, stone, coal, salt, and grain. The Corps estimates that Great Lakes shipping saves the U.S. economy \$3.6 billion each year when compared to the next least costly mode of transportation.

However, the Soo Locks, this vital link, is also the greatest weakness of the system; a potential single point of failure. Since the original State Lock's construction there have been six others. During a significant part of that history, redundancy was built into the lock system. The first Poe Lock provided redundancy for the Weitzel; the Sabin for the Davis. But no longer. The current Poe Lock is the only lock that can handle the 13-thousand foot ships and 19 other U.S.-flag vessels that combined represent approximately 70 percent of U.S.-flag carrying capacity on the Lakes. According to the Corps, 59 percent of the Canadian and American Lakers transiting the Soo Locks are required to use the Poe.

This summer gave us a taste of the potential peril we face without that redundancy. As you know, the MacArthur Lock was down for 20 days. The shutdown resulted in nearly 200 hours of delays to U.S.-flag vessels and a quarter of a million dollars to the vessel operators as all traffic transiting the St. Marys River had to be routed through a single lock, the Poe.

Worst case, with a six month outage of the Poe, 32 U.S.-flag Poe-restricted vessels would have been trapped above and below the locks. Three-quarters of all integrated steel production could cease within two to six weeks, idling auto, heavy equipment, and appliance manufacturing. Nearly 11 million unemployed workers in the U.S. could result. Michigan's unemployment rate could reach 22.5 percent;

50 percent higher than the 2008-2009 recession.

This summer the Corps' Soo team worked wonders repairing locks operating far beyond their designed life.

As far back as 1986 Congress authorized a new lock at the Soo. In 2007, Congress directed the Corps to, "... construct, at Federal expense, a second lock, of a width not less than 110 feet and a length not less than 1,200 feet, adjacent to the existing lock at Sault Ste. Marie, Michigan". But 29 years after the original authorization the project languishes.

The reason the project has stalled is a flawed benefit/cost study that incorrectly assumed rail and truck traffic can fill the void if the Poe Lock goes down. That conclusion is wrong in two regards: first, there is not enough trackage, trains, or crews. Rail traffic would have to triple from Duluth to Milwaukee and would come to a near stand-still in Chicago to get the ore to mills in Indiana, Michigan, Ohio, and Pennsylvania. Nor are there enough trucks or drivers to move the iron ore from the mines to the mills. A truck would have to enter and leave Great Lakes' mills every 15 seconds to supply them with Michigan and Minnesota ore. And the second reason: many mills don't have rail or road access to areas where the ore is needed.

A proper analysis of the lock's role this time will produce the positive benefit/cost ratio that reflects the national priority to start construction of this shovel-ready project as soon as possible.

Twinning the Poe Lock is also a perfect vehicle for energizing the region's economy. The \$590 million project would, over a decade, generate 1.5 million worker-hours for construction, equivalent to opening an auto manufacturing plant in the Eastern UP.

LTC Sellers, the Corps' Detroit District Commander, said they are working to reprogram \$1.3 million in funds already on hand to revise and update the Economic Reevaluation Report. BG Kaiser, Commander of the Corps' Lakes and Rivers Division, wants to move the effort forward expeditiously to finalize the report well before the typical three year timeline associated with these studies. Senate Resolution 105 is critical to moving this process forward. With Michigan, Congress, and the President supporting this work as outlined in SR 105, the new lock will finally transform from a pair of cofferdams into the secure, redundant, and reliable Soo lock system vital to Michigan, the other Great Lakes states, and the nation.

Finally, I want to conclude by giving credit to those Michiganders who got us to this point. For years, Congressman Stupak and Senators Levin and Stabenow kept the project alive via "earmarks." Congressman Benishek and Senator Levin forced the Corps to take a fresh look at the flawed benefit to cost ratio via the "sensitivity analysis." Senator Stabenow's commitment began well before she helped break ground for the project in June of 2009. As a Co-chair of the Great Lakes Congressional Task Force, she encouraged the completion of the DHS report and continues to champion the funding of the Economic Revaluation Report. Governor Snyder has championed the project by his leadership role with the Conference of Great Lakes and St. Lawrence Governors and Premiers. We need continued bipartisan support at both the federal and state governments to move in the right direction.

Again, thank you for your time in allowing me to present on the national importance of twinning the Poe Lock; understanding the critical role the locks play in Michigan's past, present, and future; and your leadership to keep Congress' eye on the right ball at the right time to sustain the most efficient transportation system in the world served by the greatest ships on the Great Lakes supporting our domestic industrial strength.